SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended May 31, 1992 or

[ ] Transition report pursuant to Section 13 or 15(d) of the Securities Act of 1934

For the transition period from _____ to _____

Commission file number 0-15838

NEW JERSEY STEEL CORPORATION
(Exact name of registrant as specified in it

PROCESSED BY
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VARE
(State ... jurisdiction of incorp... ganization)

(I.R.S. Employer Identification No.)

NORTH ... MAN ROAD, SAYREVILLE, NEW JERSEY 08872
(Address ... principal executive offices) (Zip Code)

Registrant's telephone number, include area code (908) 721-6600

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the proceeding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No _

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes _ No _

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of May 31, 1992.

$.01 Par Value Common Stock	5,866,870
(Title of Class)	(Number of shares outstanding)

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NEW JERSEY STEEL CORPORATION

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NEW JERSEY STEEL CORPORATION AND SUBSIDIARY

Condensed Consolidated Balance Sheets

May 31, 1992 and November 30, 1991

(In Thousands of Dollars)

Assets	May 31, 1992 (Unaudited)	Nov 30, 1991
Current assets:		
Cash and cash equivalents	$ 8,055	12,602
Receivables:		
Trade, net	18,584	15,292
Trade - due from equity investee	4,541	5,967
Other	332	760
Current installments of notes receivable - affiliate	---	292
Net receivables	23,457	20,319
Inventories	22,687	19,883
Prepaid expenses and other current assets	34	498
Total current assets	53,233	49,312
Property, plant and equipment, net	91,994	33,270
Equity investment	-	833
Other assets	1,457	1,307
Real estate held for investment, net	15,317	15,570
	$ 101,977	100,092

Liabilities and Stockholders' Equity	May 31, 1992 (Unaudited)	Nov 30, 1991
Current liabilities:		
Accounts payable - trade	$ 14,984	14,338
Due to affiliate	114	157
Accrued expenses	2,992	2,302
Total current liabilities	17,182	16,797
Stockholders' equity:		
Preferred stock	-	-
Common stock	59	59
Additional paid-in capital	133,635	133,635
Accumulated deficit	(49,853)	(50,329)
Total stockholders' equity	84,631	83,310
Commitments and contingencies (note 7)		
	$ 101,977	100,092

See accompanying notes to condensed consolidated financial statements.

NEW JERSEY STEEL CORPORATION AND SUBSIDIARY

Condensed Consolidated Statements of Operations

(In Thousands of Dollars. Except Share Amounts)

	Three-month period ended May 31		Six-month period ended May 31	
	1992	1991	1992	1991
	(Unaudited)		(Unaudited)	
Net sales	$ 25.870	32.342	45.583	51.352
Net sales - equity investee	2.107	3.422	3.962	5.205
Cost of sales	25.540	35.921	46.463	56.516
Gross profit (loss)	2.437	(157)	3.082	41
Selling, general and administrative expenses	1.397	1.413	2.711	2.896
Operating income (loss)	1.040	(1.570)	371	(2.855)
Other income:				
Interest income	87	111	209	317
Rental income	250	225	500	450
Gain on insurance settlement (note 8)	-	-	1.125	-
	337	336	1.834	767
Income (loss) before income tax provision (benefit), equity in operations of investee and extraordinary credit	1.377	(1.234)	2.205	(2.088)
Income tax provision (benefit)	551	-	882	(342)
Income (loss) before equity in operations of investee and extraordinary credit	826	(1.234)	1.323	(1.746)
Equity in operations of investee	(433)	-	(833)	-
Income (loss) before extraordinary credit	393	(1.234)	490	(1.746)
Extraordinary credit - utilization of net operating loss carryforwards	512	-	831	-
Net income (loss)	$ 905	(1.234)	1.321	(1.746)
Per common share:				
Income (loss) before extraordinary credit	.06	(.21)	.09	(.30)
Extraordinary credit	.09	-	.14	-
Net income (loss)	$ .15	(.21)	.23	(.30)
Weighted average number of common shares	5.856.870	5.853.957	5.866.870	5.850.848

See accompanying notes to condensed consolidated financial statements.

NEW JERSEY STEEL CORPORATION AND SUBSIDIARY

Condensed Consolidated Statements of Cash Flows

(In Thousands of Dollars)

	Six-month period ended May 31	
	1992	1991
	(Unaudited)	
Cash flows from operating activities:		
Net income (loss)	$ 1.321	(1.746)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation	2.853	3.353
Provision for losses on accounts receivable	270	156
Loss from equity investment	833	-
Changes in assets and liabilities:		
Increase in accounts receivable	(1.700)	(2.042)
Increase in inventories	(6.804)	(334)
Decrease in prepaid expenses and other current assets	352	162
(Increase) decrease in other assets	(150)	7
Increase (decrease) in accounts payable - trade	728	(3.375)
Decrease in due to affiliate and accrued expenses	(318)	(1.260)
Net cash used in operating activities	(2.615)	(5.079)
Cash flows from investing activities:		
Capital expenditures	(1.324)	(1.680)
Repayment of notes receivable - affiliate	292	584
Sales/maturities of short-term investments	-	166
Net cash used in investing activities	(1.032)	(930)
Cash flows from financing activities:		
Dividends paid	-	(1.756)
Proceeds from exercise of stock options	-	48
Net cash used in financing activities	-	(1.708)
Net decrease in cash and cash equivalents	(3.647)	(7.717)
Cash and cash equivalents at beginning of period	12.602	13.210
Cash and cash equivalents at end of period	$ 8.955	5.493

See accompanying notes to condensed consolidated financial statements.

NEW JERSEY STEEL CORPORATION AND SUBSIDIARY

Notes to Condensed Consolidated Financial Statements

May 31, 1992 and November 30, 1991

(In Thousands of Dollars, Except Share Amounts)

(Unaudited)

(1) Interim Results

The unaudited condensed consolidated financial statements of New Jersey Steel Corporation and subsidiary (the Company), in the opinion of management, include all adjustments (consisting of normal recurring accruals) necessary for a fair presentation of the results of such periods. The results of operations for the three- and six-month periods ended May 31, 1992 and 1991 are not necessarily indicative of the results to be expected for the entire year.

(2) Statements of Cash Flows

During the six-month periods ended May 31, 1992 and 1991, the Company paid approximately $52 and $60, respectively, for income taxes.

(3) Capital Stock

During the three-month period ended May 31, 1992, no stock options were exercised. During the three-month period ended May 31, 1991, the Company issued 2,500 shares of common stock resulting from the exercise of stock options for aggregate proceeds of approximately $8.

(4) Inventories

Inventories consist of the following:

	May 31, 1992	Nov.30, 1991
Finished goods	$ 10,666	3,851
Work-in-process	981	849
Raw materials, spare parts and supplies	11,040	11,183
	$ 22,687	15,883

(5) Per Common Share Amounts

Per common share amounts are based on the weighted average number of shares of common stock outstanding during each period. The dilutive effect of stock options for the three- and six-month periods ended May 31, 1992 was not material. The effect of stock options for the three- and six-month periods ended May 31, 1991 has been excluded from the calculation due to their anitidilutive effect.

(Continued)

NEW JERSEY STEEL CORPORATION AND SUBSIDIARY

Notes to Condensed Consolidated Financial Statements, Continued

(In Thousands of Dollars, Except Share Amounts)

(Unaudited)

(6) Incentive Stock Option Plan

Under the terms of the Company's Incentive Stock Option Plan, certain key employees may be granted options at prices equal to the fair market value of the Company's common stock at the date of grant. During the three-month period ended May 31, 1991, no options were granted or cancelled and 2,500 options were exercised.

(7) Commitments and Contingencies

The Company is a defendant in an action pending in the Supreme Court of New York. The case arises out of a 1983 Stock Purchase Agreement among the Company, Monteforno, S.A. (Monteforno), a subsidiary of Von Roll Ltd., the former parent of the Company, and New Jersey Steel Acquisition Corp., an unrelated company, whereby Monteforno was to sell the Company to New Jersey Steel Acquisition Corp. (the plaintiff). The Company contends that the plaintiff was unable to obtain financing for the transaction, and the Stock Purchase Agreement was never consummated. However, the plaintiff commenced the action alleging that Monteforno breached the Stock Purchase Agreement, that Monteforno and Von Roll Ltd. acted fraudulently in connection with the procurement of a Letter Escrow Agreement, that Von Roll Ltd. tortiously induced the breach of the Stock Purchase Agreement and that all the defendants were unjustly enriched by retaining the benefits of professional services rendered by the plaintiff and its agents and representatives. The complaint seeks in excess of $26.6 million in compensatory damages, an unspecified amount of punitive damages, and specific performance of the Stock Purchase Agreement, together with injunctive and declaratory relief. The Company's legal counsel has advised that the case has been placed on the trial calendar in 1992.

The Company and Von Roll Ltd. believe that the plaintiff's claims in the action are without merit and intend to contest the case vigorously. They have been advised by their legal counsel that in such counsel's opinion (which is based upon the information available to them) it is unlikely that the plaintiff's claims will be upheld in this case. Additionally, on April 1, 1987, Von Roll Ltd. agreed to indemnify the Company for any cost, expense and damage it may incur as a result of the action. However, were the litigation to result in an "ownership change" within the meaning of The Tax Reform Act of 1986, the indemnity would not provide for reimbursement to the Company for any delay, deferral or loss in utilizing the net operating loss or investment tax credit carryforwards after such an ownership change. If the defendants were found to be liable for breach of contract, the court could hold the plaintiff entitled to specific performance and would have the power to fashion a remedy resulting in the transfer of Von Roll Ltd.'s remaining shares (owned subsequent to the Company's initial public offering in May 1987) to the plaintiff.

(Continued)

NEW JERSEY STEEL CORPORATION AND SUBSIDIARY

Notes to Condensed Consolidated Financial Statements, Continued

(In Thousands of Dollars, Except Share Amounts)

(Unaudited)

(7) Commitments and Contingencies, cont.

In August 1991, the Company entered into an Administrative Consent Order with the Department of Environmental Protection (DEP) in settlement of certain matters (see notes to consolidated financial statements contained in the Company's annual report on Form 10-K). The Administrative Consent Order provides that the Company will submit an application for a new pollution control permit covering the mill and will conduct certain regional modeling studies in support thereof to demonstrate the mill's impact on the region's air quality. Management believes that the cost of such study will not have a material adverse impact on the Company's financial condition. In the event the emissions from the mill comply with applicable Federal, state and local guidelines, no additional action will be required of the Company, and a new permit will be issued. In the event the mill's current pollution control equipment is found to be inadequate, the Company will have to submit proposed modifications to its existing pollution control system for approval by the DEP and will have to purchase and install such modifications. The Company believes, based on its ongoing testing of its emission levels, that the regional modeling studies will demonstrate that the emissions, as proposed in the new permit application, will have no significant adverse impact on air quality and that no additional modifications to the mill will be required.

The Company is also involved in litigation relating to claims arising out of its operations in the normal course of business. Such claims against the Company are generally covered by insurance. It is the opinion of management that any uninsured or unindemnified liability resulting from existing litigation would not have a material adverse effect on the Company's business or consolidated financial position. There can be no assurance that insurance, including product liability insurance, will be available in the future at reasonable rates.

(8) Nonoperating Income

During fiscal 1989, there was an electrical fire in the Company's melt shop. The fire caused the melt shop to be shut down for approximately three weeks, adversely impacting operating costs and causing shipping disruptions. A claim was filed with the insurance company. In February 1992, the Company finalized the settlement of the claim with its insurance company for the business interruption portion of the claim. The related gain is included in nonoperating income for the six-month period ended May 31, 1992.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

Three-Month Periods ended May 31, 1992 and May 31, 1991

A summary of the period-to-period changes in the "Condensed Consolidated Statements of Operations" for the three-month periods ended May 31, 1992 and May 31, 1991 is shown below:

	($000)			Percentage Sales	
	1992	1991	Inc. (Dec)	1992	1991
	(Unaudited)				
Net sales	27,977	35,764	(7,787)	100.0	100.0
Gross profit (loss)	2,437	(157)	2,594	8.7	(0.4)
Selling, general and administrative expenses	1,397	1,413	(16)	5.0	4.0
Interest income	87	111	(24)	0.3	0.3
Other income	250	225	25	0.9	0.6
Income (loss) before income tax provision (benefit), equity in operations of investee and extraordinary credit	1,377	(1,234)	2,611	4.9	(3.5)
Income tax provision (benefit)	551	-	551	(2.0)	-
Income (loss) before equity in operations of investee and extraordinary credit	826	(1,234)	2,060	2.9	(3.5)
Equity in operations of investee	(433)	-	(433)	(1.5)	-
Income (loss) before extraordinary credit	393	(1,234)	1,627	1.4	(3.5)
Extraordinary credit-utilization of net operating loss carryforwards	512	-	512	1.8	-
Net income (loss)	905	(1,234)	2,139	3.2	(3.5)

Net sales decreased 22% to $27,977,000 from $35,764,000 in the second quarter 1992 primarily as a result of a 25% reduction in shipments to 110,000 tons from 147,000 tons in the second quarter of 1991. The decrease in shipment levels reflected the absence of any lower-priced foreign billet or rebar export sales in the second quarter of 1992. The favorable impact of an 18% increase in domestic shipments was partially offset by a slight decrease in average rebar selling prices in the second quarter of 1992 to $249 per ton from $252 per ton in the second quarter of 1991.

The gross profit in the second quarter of 1992 increased to $2,457,000 from a loss of $157,000 in the second quarter of 1991 primarily due to higher domestic shipments, lower scrap prices, lower billet conversion costs and lower rolling mill conversion costs. Scrap prices in the second quarter of 1992 declined to an average of $74 per ton from $83 per ton in the second quarter of 1991.

Selling, general and administrative expenses decreased $16,000 in the second quarter of 1992 to $1,397,000 from $1,413,000 in the second of 1991. Such expenses increased in relation to net sales from 4.0% in the second quarter of 1991 to 5.0% in the first quarter of 1992.

Interest income in the second quarter of 1992 decreased $24,000 to $87,000 from $111,000 in the second quarter of 1991 as a result of lower interest rates.

Other income for the second quarter of 1992 increased $25,000 to $250,000 from $225,000 in the second quarter 1991 as a result of an increase in the rental income from the Company's equity investee.

The Company's income tax provision of $551,000 reflects the recording of income for the second quarter of 1992 as compared to a recorded loss in the second quarter of 1991.

An operating loss incurred by the Company's equity investee resulted in the recording of a loss of $433,000 in the second quarter of 1992.

Six-Month Periods ended May 31, 1992 and May 31, 1991

A summary of the period-to-period changes in the "Condensed Consolidated Statements of Operations" for the six-month periods ended May 31, 1992 and May 31, 1991 is shown below:

	($000)			Percent of Net Sales	
	1992	1991	Inc. (Dec)	1992	1991
	(Unaudited)				
Net sales	49,545	56,557	(7,012)	100.0	100.0
Gross profit (loss)	3,082	41	3,041	6.2	0.1
Selling, general and administrative expenses	2,711	2,896	(185)	5.4	5.1
Interest income	209	317	(108)	0.4	0.5
Other income	1,625	450	1,175	3.3	0.8
Income (loss) before income tax provision (benefit), equity in operations of investee and extraordinary credit	2,205	(2,088)	4,293	4.5	(3.7)
Income tax provision (benefit)	882	(342)	1,224	(1.8)	0.6
Income (loss) before equity in operations of investee and extraordinary credit	1,323	(1,746)	3,069	2.7	(3.1)
Equity in operations of investee	(833)	-	(833)	(1.7)	-
Income (loss) before extraordinary credit	490	(1,746)	2,236	1.0	(3.1)
Extraordinary credit-utilization of net operating loss carryforwards	831	-	831	1.7	-
Net income (loss)	1,321	(1,746)	3,067	2.7	(3.1)

Net sales decreased 12% to $49,545,000 from $56,557,000 in the six-month period ended May 31, 1992 primarily as a result of a 14% reduction in shipments to 195,000 tons from 226,000 tons in the six-month period ended May 31, 1991. The decrease in shipment levels primarily reflected the absence of lower-priced foreign billet or rebar export shipments in the second quarter. The favorable impact of a 16% increase in domestic shipments was partially offset by a 3% decrease in average rebar selling prices in the six-month period ended May 31, 1992 to $253 per ton from $262 per ton in the six-month period ended May 31, 1991.

The gross profit in the six-month period ended May 31, 1992 increased to $3,082,000 from $41,000 in the six-month period ended May 31, 1991 primarily due to: higher domestic shipments, lower scrap prices, lower depreciation expenses and lower rolling mill conversion costs. Scrap prices in the six-month period ended May 31, 1992 declined to an average of $74 per ton from $85 per ton in the six-month period ending May 31, 1991.

Selling, general and administrative expenses decreased $185,000 in the six-month period ended May 31, 1992 to $2,711,000 from $2,896,000 in the six-month period ended May 31, 1991 primarily due to decreases in employment-related expenses and the Von Roll technical services and management consulting fees. Such expenses increased in relation to net sales from 5.1% in the six-month period ended May 31, 1991 to 5.4% in the six-month period ended May 31, 1992.

Interest income for the six-month period ended May 31, 1992 decreased $108,000 to $209,000 from $317,000 in the six-month period ended May 31, 1991 as a result of lower interest rates.

Other income for the period ended May 31, 1992 increased $1,175,000 to $1,625,000 from $450,000 in the six-month period ended May 31, 1991 primarily as a result of a gain from an insurance settlement related to a 1989 melt shop fire.

The increase in the Company's income tax provision reflects the recording of income in for the six-month period ended May 31, 1992 as compared to a recorded loss in the six-month period ended May 31, 1991.

An operating loss incurred by the Company's equity investee resulted in the recording of a loss of $833,000 in the six-month period ended May 31, 1992.

Liquidity and Capital Resources

As of May 31, 1992 the Company has cash and cash equivalents of $8,955,000. The Company maintains an $8,000,000 offering line of credit on an unsecured basis. At May 31, 1992 there were no borrowings against this line.

Net cash used in operating activities decreased $2,464,000 in the six-month period ended May 31, 1992 compared to the prior year six-month period primarily due to the Company

a loss in the six-month period ended May 31, 1991.

Working capital increased $3,533,000 during the six-month period ended May 31, 1992 primarily due to an increase in the Company's cash flow from operating activities which more than offset capital expenditures.

Net cash used in investing activities increased $102,000 in the six-month period ended May 31, 1992 as compared to the six-month period ended May 31, 1991 due to the repayment of $1,000,000 in notes receivable. This was partially offset by a decrease in capital expenditures. Capital expenditures for the six-month period ended May 31, 1992 totalled $1,324,000. The Company is continuing to evaluate a major expansion and cost improvement program. No final determination has yet been made. Absent a final determination on this program $1,200,000 in capital spending is estimated for the next two quarters.

There was no cash used in financing activities in the six-month period ended May 31, 1992 due primarily to the omission of the Company's quarterly dividend, announced September 20, 1991.

The Company believes that operations will generate sufficient cash flow to fund day-to-day operations for the remainder of the year.

Environmental

The Company is subject to federal, state and local environmental laws and regulations concerning, among other matters, waste water effluent, air emissions, noise and furnace dust disposal.

The Company's mill is classified as generating hazardous waste because it produces certain types of dust containing lead and cadmium. The Company currently collects and disposes of such wastes through contracts with approved waste disposal firms and believes that it is in compliance with environmental regulations concerning the hazardous components of such dust.

In August 1991, the Company entered into an Administrative Consent Order with the New Jersey Department of Environmental Protection (DEP) in settlement of certain matters (see Notes to Consolidated Financial Statements contained in the Company's annual report on Form 10-K). The Administrative Consent Order provides that the Company will submit an application for a new pollution control permit covering the mill and will conduct certain regional modeling studies in support thereof to demonstrate the mill's impact on the region's air quality. Management believes that the cost of such study will not have a material adverse impact on the Company's financial condition. In the event the emissions from the mill comply with applicable Federal, state and local guidelines, no additional action will be required of the Company, and a new permit will be issued. In the event the mill's current pollution control equipment is found to be inadequate, the Company will have to submit proposed modifications to its existing pollution control system for approval

by the DEP and will have to purchase and install such modifications. The Company believes, based on its ongoing testing of its emission levels that the regional modeling emissions, as proposed in the new permit application, will have no significant adverse impact on air quality and that no additional modifications to the mill will be required.

Total expenditures incurred by the Company in the six-months ended May 31, 1992 in relation to environmental matters was approximately $850,000.

Future Trends Commentary

As evidenced by the Company's improved second quarter domestic shipments, rebar demand has improved on a year-to-year basis. The release of public construction funds should begin to accelerate with increased budget availability as states begin their new fiscal years this summer. This, coupled with the spate of announced infrastructure spending initiatives should translate into continuing improvement in rebar demand in coming quarters and in 1993.

Part II - Other Information

Item 1. Legal Proceedings

None.

Item 2. Changes in Securities

None.

Item 3. Defaults upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

None.

Item 6. Exhibits and Reports on Form 8-K

(a) None.

(b) No Reports on Form 8-K were filed during this period.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NEW JERSEY STEEL CORPORATION
Registrant

Dated: July 14, 1992

Robert J. Pasquarelli, President

Dated: July 14, 1992

Paul Roik, Vice President-Finance and Treasurer (Principal Financial and Accounting Officer)